

RALEIGH-DURHAM AIRPORT AUTHORITY

MINUTES

January 16, 2003

Chairman Gibbs presided. Present: members Clancy; Parker; Teer; Toler; Weeks; Winston and Zaytoun. Also present: Airport Director Brantley; Deputy Director, Operations Shackelford; Deputy Director, Facilities Engineering & Maintenance Pittman; Deputy Director, Finance, Business & Administration Gill; Major Capital Improvements Program Director Powell; Customer Service & Organizational Support Director Damiano; Parking Director Scialdone; Director of Administration Umphrey; Senior Program Manager Edmondson; Senior Program Manager Quesenberry; Program Manager Cayton; Facilities Engineering Manager Jewett; Project Manager Malcolm; Maintenance Manager Fulp; Customer Relations Supervisor Kawiecki; Properties & Insurance Officer Quinn; Emergency Services Manager Thompson; Law Enforcement Manager Waters; Assistant Law Enforcement Manager Tippet; Communications Manager Hamlin; Ground Transportation Manager Odom; Ground Transportation Coordinator Nye; Public Transportation Supervisor Kiser; Financial/Budget Analyst Golden; Purchasing Officer Thompson; Parking Administration Manager Slayton; Operations Manager Nelson; Network Administrator King; Accountant Marion; Purchasing Assistant Breen; Visitor Services Supervisor Creech; Communications Specialist Dunton; Business Development Officer Hairston; Internal Auditor Jordan; Training Supervisor Bell; Executive Assistant Mitchell and Attorney Tatum.

Guests: Charles McCloskey and Steve Cornell, Parsons Transportation Group; Vicki Hyman, The News & Observer; Thomas W. Bradshaw, Jr., Salomon Smith Barney; James Novak, HNTB of North Carolina, P.C.; Steven Peedin and Michael Huslage, Bobbitt & Associates; Howard Harmon, The Paradies Shops; Lee Churchill, taxi driver; and Mahamed Cali, taxi driver.

APPROVAL OF AGENDA – Amendment No. 1 to the American Airlines Lease Agreement was added as item number 3. There were no other changes to the agenda, and it was approved as amended.

APPROVAL OF MINUTES – There were no changes to the minutes of the December 19, 2002 meeting, and they were approved as submitted.

CHAIRMAN'S COMMENTS – Chairman Gibbs welcomed new members Weeks and Zaytoun.

Chairman Gibbs appointed member Winston as Acting Secretary for the meeting.

LAW, FINANCE & PERSONNEL COMMITTEE REPORT – Member Winston reported the Committee met on January 16, 2003, and discussed the following item:

1. Consideration of a staff recommendation to adjust the project budget for Taxiway D Relocation & Terminal C Apron Expansion, RDU #070379. The Committee considered adjustment of the project budget for Taxiway D Relocation & Terminal C Apron Expansion. Currently, the budget is \$5.6 million, and the recommendation is to increase the budget by \$5.9 million to \$11.5 million. The scope of the project includes relocation of a portion of Taxiway D, construction of a new taxiway bridge, realignment of the portion of International Drive between Taxiway C and Terminal Boulevard, expansion of the Terminal C aircraft parking apron to the north to permit expansion of the concourse, and other work. The project involves two primary

construction contracts. The first, Westside Storm Water Management Facilities, involves construction of significant drainage structures and a new storm water detention pond to serve the terminal area of the airport. Bids for this contract were received on January 8 and will be considered by the Authority on January 16, 2003. The second contract will involve the taxiway, bridge, apron, road and other construction. The Authority adopted the current project budget on January 17, 2002. That amount was intended to fund the pre-construction phase of the project. Award of the first construction contract will necessitate increasing the budget to cover the costs associated with that contract. The second construction contract is scheduled for award in March 2003, at which time staff will recommend increasing the budget to cover the costs associated with that contract. The estimated total cost of the project is \$50 million, and the project is scheduled for completion in the second quarter of 2005. The Committee recommended increasing the project budget for Taxiway D Relocation & Terminal C Apron Expansion, RDU #070379, by \$5.9 million to \$11.5 million.

Member Winston made a motion, seconded by member Parker, to increase the project budget for Taxiway D Relocation & Terminal C Apron Expansion, RDU #070379, by \$5.9 million to \$11.5 million.

Adopted.

LAND & DEVELOPMENT COMMITTEE REPORT – Member Teer reported the Committee met on January 16, 2003 and discussed the following items:

1. Consideration of bids received on January 8, 2003 for Westside Storm Water Management Facilities, RDU #070378. Bids were received on January 8, 2003 for the Westside Storm Water Management project from: McNally Tunneling Corporation at \$4,753,131; Bradshaw Construction Corporation at \$5,148,500; Paul Howard Construction Co. at \$5,999,135; Modern Continental at \$5,977,058; Jay Dee Contractors at \$4,953,425; and Gilbert Southern Corporation at \$7,172,750. All bidders were required to include a pre-qualified tunneling contractor in their bids. McNally Tunneling Corporation proposed DBE participation of 16.87%; the Authority's goal was 5.5%. The Federal Aviation Administration is expected to provide a Grant Offer of Airport Improvement Program funds for the project. The Committee recommended acceptance of the low bid of \$4,753,131 and award of the contract for the Westside Storm Water Management Facilities project to McNally Tunneling subject to acceptance by the Authority and the Cities of Raleigh and Durham and the Counties of Wake and Durham of a Grant Offer of Airport Improvement Program funds for the project from the Federal Aviation Administration.
2. Consideration of proposals received on December 2, 2002 for a telephone system, an element of Parking Garage 4 and Airline Cargo & Warehouse Buildings, RDU #070319. Vendor proposals were received on December 2, 2002 to provide a telephone system for Parking Garages 3 and 4. The scope of work includes provision, installation and technical support of a telephone system that includes communication cabling, Voice Over Internet Protocol computer software and hardware, and other related items. The system will provide communication service from the customer courtesy phones, fire alarm system and emergency phones in elevators on Parking Garages 3 and 4 to the Authority's communications center in Terminal A. The contract does not include supply of handsets for the courtesy and emergency phones or the fire alarm systems as that equipment will be supplied by others. This procurement is being made in accordance with NCGS 143-135.9 for the purchase of information technology goods and services as defined in NCGS 147-33.81(2). The Authority required interested vendors to submit proposals

in response to the solicitation, which was issued on November 1, 2002. Proposals were received from four vendors: Hired Guns, Sprint, Prosys Information Systems and Ronco Communications. Supplementary information was provided by proposers in response to requests from the Authority. Proposals were evaluated to determine the vendor that offers the best trade-off between price and performance, where quality is considered an integral performance factor. Staff's award recommendation was based on a number of factors including the total cost of ownership, meaning the cost of acquiring, operating, maintaining and supporting a product, service or system over its projected useful lifetime; the evaluated technical merit of the proposal; the proposer's past performance; and the evaluated probability of performing the requirements of the contract on time, with high quality, and in a manner that accomplishes the stated business objectives. Staff and the Authority's project consultants, Walker Parking Consultants and Convergent Strategies Consulting, reviewed the proposals and concluded the proposal from Hired Guns was incomplete and non-responsive. The other three proposals were determined to be responsive and warranted further consideration. Interviews were conducted with representatives of Prosys Information Systems, Ronco Communications and Sprint on December 16, 2002. During the interviews, personnel for each of the firms demonstrated a good understanding of the technical requirements as well as the sequencing and schedule for the project. However, Sprint took exception to general conditions contract provisions provided with the Request for Proposals. After the interview, Sprint formally retracted its proposal, indicating that it would not be able to enter into a contract with the Authority in a timely manner under the terms of this procurement. Neither Prosys nor Ronco took exception to any of the general conditions provisions. Overall, the systems proposed by Prosys and Ronco, including the quality of equipment, key personnel and computer software/hardware as presented in the proposals and interviews, were viewed as very comparable to one another. Additionally, reference checks with prior and existing clients confirmed successful performance on similar projects for each of the two firms. Prosys Information Systems submitted a proposal in the amount of \$430,334, while Ronco Communications submitted a proposal in the amount of \$676,653. Based on all considerations, the Committee recommended acceptance of the proposal in the amount of \$430,334 and award of the contract for the Telephone System to Prosys Information Systems.

3. Consideration of bids received on January 10, 2003 for North Ramp General Aviation Area Redevelopment, Phase III, RDU #080333. Four bids were received on January 10, 2003 for the North Ramp General Aviation Area Redevelopment, Phase III, and all were responsive to the bid requirements. Rifenburg Construction submitted the low bid. Staff recommended that the two bid alternates not be included in the contract and that consideration of the bids be deferred until the February meeting. An increase in the project budget to cover costs expended to date for design, etc. plus the costs associated with construction also will have to be considered at that time. Both the North Ramp General Aviation Area Redevelopment and the Westside Storm Water Management Facilities projects will utilize Airport Improvement Program entitlement grant funds to pay for approximately 75% of the costs. Staff intends to first fund the storm water project, then use the remaining entitlement funds for the general aviation area project. At this point, the eligible amount of the general aviation area project costs is greater than the available grant funds. Therefore, the cost of the work must be reduced so that it is within the available funds. Staff is assisting the designer in developing a change order that will reduce the bid price by between \$2.5 and \$3.0 million. The amount of grant funds required will be correspondingly reduced to approximately \$12,800,000. Staff believes this can be done without adversely affecting the intended end product (original scope) of the project. Completion of the design changes and the

change order process will require approximately three weeks. Most of the savings will come from changing from new concrete pavement on Taxiway A and Taxiway A8 as specified in the contract to a mill and overlay of the existing asphalt pavement. No changes in the general aviation area proper will be made. In February, staff intends to request concurrent consideration of the construction bids and the proposed change order reducing the contract amount. Staff also will present the proposed agreements for materials and field testing and contract administration and resident inspection then. Construction is expected to begin in late March or early April 2003. The Committee received the report and deferred consideration of the bids.

4. Presentation of plans by the SAS Institute to construct an aircraft hangar, with associated aircraft ramp, access taxiway and vehicle parking, at the north end of the airfield. Steven Peedin and Michael Huslage of Bobbitt & Associates, which is responsible for planning and design of the SAS Institute hangar, displayed plans for the proposed facilities and examples of exterior siding materials, which were in keeping with the existing materials. The Committee recommended approval in concept of the proposal by SAS Institute to construct an aircraft hangar with associated aircraft ramp, access taxiway and vehicle parking.

Member Teer made a motion, seconded by Member Winston to approve the recommendations of the Land & Development Committee with respect to items 1, 2 and 4. Adopted.

AMERICAN AIRLINES LEASE AMENDMENT – Properties & Insurance Officer Quinn reported on proposed Amendment No. 1 to the Facilities Lease and Use Agreement dated June 15, 2002 between the Airport Authority and American Airlines. American contacted the Authority in December 2002 and expressed its desire to discontinue use of Gate C13 by January 31, 2003. The effective date of the amendment is February 1, 2003 and covers leasehold revisions including deletion of the Gate C-13 holdroom and jetbridge; addition of two offices in American's Information Technology space on the north concourse lower level; and deletion of two offices on the south concourse lower level. The revisions result in a decrease of \$10,105 in American's monthly fixed rent. Schedules A, B, C and D-1 are revised to reflect the revisions. Staff recommended approval of Amendment No. 1 to the Lease Agreement with American Airlines.

Member Teer made a motion, seconded by Member Toler, to approve Amendment No. 1 to the Facilities Lease and Use Agreement between the Airport Authority and American Airlines effective February 1, 2003. Adopted.

MEMBER COMMENTS/REPORTS – Member Weeks thanked Deputy Director Shackelford for the tour of the Airport. Member Zaytoun expressed his thanks for the opportunity to be a part of the Airport Authority.

GENERAL COUNSEL'S REPORT – Attorney Tatum requested an Executive Session to discuss a property acquisition matter and a pending litigation matter.

AIRPORT DIRECTOR'S REPORT –

- Enplaned passengers for December 2002 totaled 352,328 versus 319,282 for December 2001 for a 10.4% increase. Year 2002 enplaned passengers totaled 4,251,564 versus 4,801,807 for 2001 for an 11.5% decrease.

- Deplaned passengers for December 2002 totaled 329,104 versus 295,858 for December 2001 for an 11.2% increase. Year 2002 deplaned passengers totaled 4,223,620 versus 4,777,474 for 2001 for an 11.6% decrease.
- Enplaned air cargo for December 2002 totaled 8,244,986 pounds versus 7,864,138 pounds for December 2001 for a 4.8% increase. Year 2002 enplaned air cargo totaled 98,293,523 pounds versus 117,401,482 pounds for 2001 for a 16.3% decrease.
- Deplaned air cargo for December 2002 totaled 10,557,147 pounds versus 9,802,585 pounds for December 2001 for a 7.7% increase. Year 2002 deplaned air cargo totaled 123,662,578 pounds versus 126,007,775 pounds for 2001 for a 1.9% decrease.
- Weekday scheduled flight departures for December 2002 totaled 217 versus 204 for December 2001 for a 6.4% increase.
- Aircraft operations for December 2002 totaled 18,178 versus 18,101 for December 2001 for a 0.4% increase. Year 2002 aircraft operations totaled 241,614 versus 274,013 for 2001 for an 11.8% decrease.
- The number of vehicles exiting the terminal area public parking lots during December 2002 totaled 172,299 versus 163,225 for December 2001 for a 5.6% increase. The year 2002 number of vehicles exiting the terminal area public parking lots totaled 1,960,090 versus 2,308,077 for 2001 for a 15.1% decrease.
- The number of taxicab trips taken during December 2002 totaled 9,246 versus 9,194 during December 2001 for a 0.6% increase. The year 2002 number of taxicab trips totaled 134,302 versus 133,049 for 2001 for a 0.9% increase.
- Airline load factors for December were very good. They ranged between 60% and 86%. Airport Directory Brantley said 2003 should be a very good year in terms of passenger traffic.
- RDU was the No. 6 ranked airport in the Southeast Region in origin and destination airline passenger traffic for the year ended June 2002 (behind Atlanta, Orlando, Fort Lauderdale, Tampa and Miami) as reported in a recent trade publication regional analysis. RDU's average one-way fare was \$117 during that time.
- On March 4, AirTran will expand its Atlanta service with two additional flights per day operated by Air Wisconsin, its new regional carrier affiliate, operating as AirTran Jet Connect.
- Airport Director Brantley welcomed everyone back for 2003. The Authority is looking forward to a great 2003.

Member Teer made a motion, seconded by Member Parker to go into Executive Session.

Member Teer made a motion, seconded by Member Toler to return to Open Session.

Member Toler made a motion, seconded by Member Teer, to hold a public hearing on proposed revisions to Chapter 4 - Commercial Ground Transportation of the Ordinances at the February 20, 2003 meeting.

ADJOURNMENT - There being no further business, Chairman Gibbs adjourned the meeting.

Respectfully submitted,

Robert W. Winston, III, Acting Secretary

CORRECT ATTEST:

Kenneth D. Gibbs, Sr., Chairman